

DECLARATION OF LESLIE MORGAN

I, Leslie Morgan, hereby declare as follows:

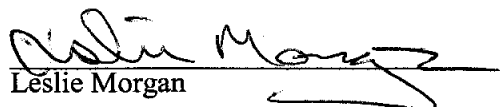
1. I am employed as the Assessor-Recorder in the Shasta County Assessor-Recorder's Office. I have personal knowledge of the facts set forth herein and if called as a witness could and would testify competently thereto under oath.

2. On May 11, 2009, the Shasta County Assessor-Recorder's Office received a Business Property Statement from Circuit City Stores, Inc. ("Circuit City"). The Business Property Statement was signed by Sarah Harris, the authorized agent for Circuit City. Ms. Harris identified her title as being "Tax Supervisor." Ms. Harris identified the location of the business property as being 1175 Dana Drive in Redding, California, which is located in Shasta County. Ms. Harris, as the authorized agent for Circuit City, declared, under penalty of perjury under the laws of the State of California, and to the best of her knowledge and belief, that the Business Property Statement included all property required to be reported which was owned, claimed, possessed, controlled or managed by Circuit City at 12:01 a.m. on January 1, 2009. A true and correct copy of the Business Property Statement from Circuit City, signed by Ms. Harris, is attached hereto as Exhibit 1.

3. The Business Property Statement was accompanied by a Circuit City transmittal Memorandum from Scott Ash noting that the attached Business Property Statement was for "assets located in your jurisdiction."

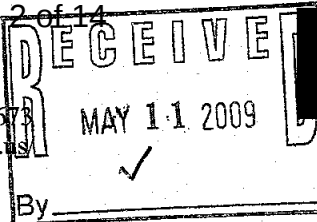
I declare under penalty of perjury that the foregoing is true and correct.

Executed this 21st day of August, 2009 at Redding, California.


Leslie Morgan

**BUSINESS PROPERTY
STATEMENT FOR 2009**(Declaration of costs and other related
property information as of 12:01 A.M.,
January 1, 2009)

Exhibit(s) Morgans Declaration Page 2 of 14

Shasta County Assessor
1450 Court Street, Suite 208-A
Redding, CA 96001-1667
(530) 225-3600 FAX: (530) 225-5673
Web Site: <http://www.co.shasta.ca.us>**2009**

RETURN THIS ORIGINAL FORM. COPIES WILL NOT BE ACCEPTED.

NAME AND MAILING ADDRESS
(Make necessary corrections to the printed name and mailing address.)**OWNER**

NAME Circuit City Stores, Inc.
 DBA DBA: Circuit City Stores West Coast, Inc.
 STREET Attention: Tax Department, P.O. Box 42304
 CITY Richmond, VA 23242

Acct:800003290000

FILE RETURN BY APRIL 1, 2009

LOCATION OF THE BUSINESS PROPERTY

STREET 1175 Dana Drive
 CITY Redding CA 96003

(File a separate statement for each location.)

PART I: GENERAL INFORMATION**COMPLETE (a) THRU (g)**

- a. Enter type of business: _____
- b. Enter local telephone number _____ FAX number _____
 E-mail Address (optional) scott_ash@circuitcity.com
- c. Do you own the land at this business location? ☐ Yes ☐ No
 If yes, is the name on your deed recorded
 as shown on this statement? ☐ Yes ☐ No
- d. When did you start business at this location? DATE: 02/26/1996
 If your business name or location has changed from last year, enter the former name and/or location: _____
- e. Enter location of general ledger and all related accounting records (include zip code):
9954 Mayland Drive, Richmond VA 23233

f. Enter name and telephone number of authorized person to contact at location of
accounting records: Scott Ash (804) 527-4000

g. During the period of January 1, 2008 through December 31, 2008:

- (1) Has all or part of this real property been subject to a change in ownership? ☐ Yes ☐ No
- (2) Are any related entities conducting business in the county? ☐ Yes ☐ No
 If yes, provide name, mailing address, and locations: _____
- (3) If you leased this real property, has it been the subject of a lease agreement for a
 period of 35 years or more (including options)? ☐ Yes ☐ No
- (4) Did you acquire "control" through acquisition of stock or otherwise of a legal entity
 which owns real property in this county? ☐ Yes ☐ No
- (5) Did another person or entity acquire "control" through acquisition of stock or
 otherwise of this corporation or entity? ☐ Yes ☐ No

PART II: DECLARATION OF PROPERTY BELONGING TO YOU

(attach schedule for any adjustment to cost)

| | COST (omit cents) (see instructions) | ASSESSOR'S USE ONLY |
|--|---|----------------------------|
| 1. Supplies | 171 | |
| 2. Equipment (From line 35) | 646,057 | |
| 3. Equipment out on lease, rent, or conditional sale to others (Attach Schedule) | | |
| 4. Bldgs., Bldg. Impr., and/or Leasehold Impr., Land Impr., Land (From line 71) | 206,390 | |
| 5. Construction in Progress (Attach Schedule) | | |
| 6. Alternate Schedule A (See instructions) | | SEE 463 PENALTY |
| 7. | | |
| 8. | | |

PART III: DECLARATION OF PROPERTY BELONGING TO OTHERS - IF NONE WRITE "NONE"

(SPECIFY TYPE BY CODE NUMBER)

Report conditional sales contracts that are not leases on Schedule A

1. Leased equipment
 2. Lease-purchase option equipment
 3. Capitalized leased equipment
 4. Vending equipment
 5. Other businesses
 6. Government-owned property

Tax Obligation: A. Lessor B. Lessee

| Year of Acq. | Year of Mfr. | Description and Lease or Identification Number | Cost to Purchase | Annual Rent |
|--------------|--------------|--|------------------|-------------|
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |

OWNERSHIP TYPE (✓)**DECLARATION BY ASSESSEE**

- Proprietorship ☐
 Partnership ☐
 Corporation ☒
 Other ☐

Note: The following declaration must be completed and signed. If you do not do so, it may result in penalties.

I declare under penalty of perjury under the laws of the State of California that I have examined this property statement, including accompanying schedules, statements or other attachments, and to the best of my knowledge and belief it is true, correct, and complete and includes all property required to be reported which is owned, claimed, possessed, controlled, or managed by the person named as the assessee in this statement at 12:01 a.m. on January 1, 2009.

SIGNATURE OF ASSESSEE OR AUTHORIZED AGENT*

DATE

NAME OF ASSESSEE OR AUTHORIZED AGENT* (typed or printed)

5/9/09

TITLE
Tax Supervisor

NAME OF LEGAL ENTITY (other than DBA) (typed or printed)

FEDERAL EMPLOYER ID NUMBER
95-4460785

PREPARER'S NAME AND ADDRESS (typed or printed)

TELEPHONE NUMBER

TITLE

*Agent: See page S4B for Declaration by Assessee instructions.

THIS STATEMENT SUBJECT TO AUDIT

INFORMATION PROVIDED ON A PROPERTY STATEMENT MAY BE SHARED WITH THE STATE BOARD OF EQUALIZATION

SCHEDULE A - COST DETAIL: EQUIPMENT (Exhibit 5) Morgan's Declaration Page 3 of 14

Include expensed equipment and fully depreciated items. Include sales or use tax (see instructions for important use tax information), freight and installation costs. Attach schedules as needed. Lines 18, 21, 33, and 42 "Prior" -- Report detail by year(s) of acquisition on a separate schedule.

| LINE NO | Calendar Year of Acq. | 1. MACHINERY AND EQUIPMENT FOR INDUSTRY, PROFESSION, OR TRADE (do not include licensed vehicles) | | | | 2. OFFICE FURNITURE AND EQUIPMENT | | 3. OTHER EQUIPMENT (describe) | | Calendar Year of Acq. | 4. TOOLS, MOLDS, DIES, JIGS | | |
|---------|---|--|---------------------|------------|------------------|-----------------------------------|-----------------------|-------------------------------|---------------------|-----------------------|-----------------------------|---------------------|--|
| | | COST | ASSESSOR'S USE ONLY | | | COST | ASSESSOR'S USE ONLY | COST | ASSESSOR'S USE ONLY | | COST | ASSESSOR'S USE ONLY | |
| 11 | 2008 | 540 | | | | 540 | | 648 | | 2008 | | | |
| 12 | 2007 | 5021 | 643 | | | 4,378 | | | | 2007 | | | |
| 13 | 2006 | | 26,526 | | | 2,686 | | | | 2006 | | | |
| 14 | 2005 | | | | | | | | | 2005 | | | |
| 15 | 2004 | | | | | | | | | 2004 | | | |
| 16 | 2003 | | | | | 191,084 | | | | 2003 | | | |
| 17 | 2002 | | 9,323 | | | 2,021 | | | | 2002 | | | |
| 18 | 2001 | | 409 | | | | | | | Prior | | | |
| 19 | 2000 | | | | | | | | | Total | | | |
| 20 | 1999 | | | | | 409 | | | | | | | |
| 21 | 1998 | | 301 | | | | | | | | | | |
| 22 | 1997 | | | | | | | | | | | | |
| 23 | 1996 | | 71,019 | | | 336,718 | | | | 2008 | | | |
| 24 | 1995 | | | | | | | | | 2007 | | | |
| 25 | 1994 | | | | | | | | | 2006 | | | |
| 26 | 1993 | | | | | | | | | 2005 | | | |
| 27 | 1992 | | | | | | | | | 2004 | | | |
| 28 | 1991 | | | | | | | | | 2003 | | | |
| 29 | 1990 | | | | | | | | | 2002 | | | |
| 30 | 1989 | | | | | | | | | 2001 | | | |
| 31 | 1988 | | | | | | | | | Prior | | | |
| 32 | 1987 | | | | | | | | | Total | | | |
| 33 | Prior | | | | | | | | | | | | |
| 34 | Total | 384,110 | 108,221 | 3083 | 5025 | 9089 | 537,836 | 104,611 | 3520 | | | | |
| 35 | Add TOTALS on lines 19, 32, 34, 43, 46 and any additional schedules ENTER HERE AND ON PART II, LINE 2 | | | | | | | | | | 2008 | | |
| | | | | | | | | | | | 2007 | | |
| 36 | ASSESSOR'S USE ONLY | | | | | | | | | | 2006 | | |
| 37 | CLASSIFICATION | COL | FULL VALUE BASE | FULL VALUE | PERS.PROP. RCLND | PERS.PROP. ADJUSTMENT | PERS.PROP. FULL VALUE | | | 2005 | | | |
| 38 | Machinery & equipment | 1 | | E 758,694 | | | | | | 2004 | | | |
| 39 | Office furniture & equipment | 2 | | S 1000 | | | | | | 2003 | | | |
| 40 | Tools, molds, dies & jigs | 4 | | ST 95,694 | | | | | | 2002 | | | |
| 41 | Computers | 5a | | | | | | | | 2001 | | | |
| 42 | | 5b | | | | | | | | Prior | | | |
| 43 | | 5c | | | | | | | | Total | | | |
| 44 | Other equipment | 3 | | | | | | | | | | | |
| 45 | Schedule B -- Fixtures | -- | | | | | | | | | | | |
| 46 | TOTALS | | | | | | | | | TOTAL COST | | | |

Attach schedules as needed. Line 69 "Prior" -- Report detail by year(s) of acquisition on a separate schedule.

| LINE NO | Calendar Year of Acq. | BUILDINGS, BUILDING IMPROVEMENTS, AND/OR LEASEHOLD IMPROVEMENTS | | | | 3. LAND IMPROVEMENTS (e.g., blacktop, curbs, fences) | | 4. LAND AND LAND DEVELOPMENT (e.g., fill, grading) | |
|---------|---|---|---------------------|--|---------------------|---|---------------------|---|---------------------|
| | | 1. STRUCTURE ITEMS ONLY (see instructions) | | 2. FIXTURES ONLY (see instructions) | | COST | ASSESSOR'S USE ONLY | COST | ASSESSOR'S USE ONLY |
| | | COST | ASSESSOR'S USE ONLY | COST | ASSESSOR'S USE ONLY | | | | |
| 47 | 2008 | | | | | | | | |
| 48 | 2007 | | | | | | | | |
| 49 | 2006 | | | 7,266 | | | | | |
| 50 | 2005 | | | | | | | | |
| 51 | 2004 | | | | | | | | |
| 52 | 2003 | | | 39,820 | | | | | |
| 53 | 2002 | | | | | | | | |
| 54 | 2001 | | | | | | | | |
| 55 | 2000 | | | | | | | | |
| 56 | 1999 | | | | | | | | |
| 57 | 1998 | | | | | | | | |
| 58 | 1997 | | | 7,740 | | | | | |
| 59 | 1996 | | | 151,564 | | | | | |
| 60 | 1995 | | | | | | | | |
| 61 | 1994 | | | | | | | | |
| 62 | 1993 | | | | | | | | |
| 63 | 1992 | | | | | | | | |
| 64 | 1991 | | | | | | | | |
| 65 | 1990 | | | | | | | | |
| 66 | 1989 | | | | | | | | |
| 67 | 1988 | | | | | | | | |
| 68 | 1987 | | | | | | | | |
| 69 | Prior | | | | | | | | |
| 70 | Total | 348,862 | 24,954 | 206,390 | | | | | |
| 71 | Add TOTALS on line 70 and any additional schedules. ENTER HERE AND ON PART II, LINE 4 | | | | | | | | 206,390 |
| 72 | Have you received allowances for tenant improvements for the current reporting period that are not reported above? <input type="checkbox"/> Yes <input type="checkbox"/> No If yes indicate amount \$ _____ | | | | | | | | |

REMARKS:

SUPPLEMENTAL SCHEDULE FOR REPORTING MONTHLY ACQUISITIONS AND DISPOSALS OF PROPERTY REPORTED ON SCHEDULE B OF THE BUSINESS PROPERTY STATEMENT

OWNER NAME

COMPANY NAME

Circuit City Stores, Inc.

MAILING ADDRESS

Attention: Tax Department P.O. Box 42304
Richmond, VA 23242

LOCATION OF PROPERTY

Redding Mini-Ss (S/L)
1175 Dana Drive
Redding, CA 96003

INSTRUCTIONS

Report all acquisitions and disposals reported in Columns 1, 2, 3, or 4 on Schedule B for the period January 1, 2008 through December 31, 2008. Indicate the applicable column number in the space provided.

ADDITIONS -- Describe and enter the total acquisition cost(s), including excise, sales, and use taxes, freight-in, and installation charges, by month of acquisition; transfers-in should also be included. The former property address and date of transfer should be reported, as well as original date and cost(s) of acquisition.

Only completed projects should be reported here (e.g., the date the property becomes functional and/or operational, otherwise it should be reported as construction-in-progress).

Identify completed construction that was reported as construction-in-progress on your 2007 property statement. Describe the item(s) and cost(s), as previously reported, on a separate schedule and attach to BOE-571-D.

DISPOSALS -- Information on this property should include the disposal date, method of disposal (transfer, scrapped, abandoned, sold, etc.) and names and addresses of purchasers when items are either sold or transferred.

[illegible]

THIS STATEMENT SUBJECT TO AUDIT

BUSINESS PROPERTY STATEMENT

Tax Year 2009

Shasta County Assessor

Declaration of Property Belonging to Others
Informational Filing Only - Please Bill Lessor Directly

| Lessor Name and Address | Tax Obligation | Lease Type | Year of Acq. | Description of Item State Class / Owner Class Asset # / Lease # | Cost | Annual Rent |
|---|-------------------|------------|-----------------|---|------|-------------|
| IBM PO Box 12195, Research Triangle Park, NC 27709 | A | | 2005 | SYMBOL LS 2208 HAND-HELD Computers <=\$25,000 (BA303) / CL 85554IBM / 12/28/2005Deal | 201 | 66.96 |
| | A | | 2005 | SYMBOL LS 2208 HAND-HELD Computers <=\$25,000 (BA303) / CL 85556IBM / 12/28/2005Deal | 201 | 66.96 |
| | A | | 2005 | SYMBOL AP 200 ACCESS PORT Computers <=\$25,000 (BA303) / CL 85557IBM / 12/28/2005Deal | 442 | 147.24 |
| | A | | 2005 | SYMBOL AP 200 ACCESS PORT Computers <=\$25,000 (BA303) / CL 85558IBM / 12/28/2005Deal | 442 | 147.24 |
| | A | | 2005 | SYMBOL AP 200 ACCESS PORT Computers <=\$25,000 (BA303) / CL 85559IBM / 12/28/2005Deal | 442 | 147.24 |
| | A | | 2005 | SYMBOL PD 8500 PIN PAD / Computers <=\$25,000 (BA303) / CL 85560IBM / 12/28/2005Deal | 593 | 197.52 |

BUSINESS PROPERTY STATEMENT
Tax Year 2009

Shasta County Assessor

Declaration of Property Belonging to Others
Informational Filing Only - Please Bill Lessor Directly

| Lessor Name and Address | Tax Obligation | Lease Type | Year of Acq. | Description of Item State Class / Owner Class Asset # / Lease # | Cost | Annual Rent |
|----------------------------|-------------------|------------|-----------------|--|-------|-------------|
| | A | | 2005 | SYMBOL PD 8500 PIN PAD / Computers <=\$25,000 (BA303) / CL 85561IBM / 12/28/2005Deal | 593 | 197.52 |
| | A | | 2005 | SYMBOL ES-3000 24 PORT Computers <=\$25,000 (BA303) / CL 85562IBM / 12/28/2005Deal | 1,134 | 378.12 |
| | A | | 2005 | SYMBOL WS 5100 WIRELESS Computers <=\$25,000 (BA303) / CL 85563IBM / 12/28/2005Deal | 1,288 | 429.12 |
| | A | | 2005 | SYMBOL WS 5100 WIRELESS Computers <=\$25,000 (BA303) / CL 85564IBM / 12/28/2005Deal | 1,365 | 455.04 |
| | A | | 2005 | APC SMART 3000 UPS Computers <=\$25,000 (BA303) / CL 90537IBM / 12/28/2005Deal | 2,046 | 681.84 |
| | A | | 2005 | SYMBOL - SOFTWARE Computers <=\$25,000 (BA303) / CL 91502IBM / 12/28/2005Deal | 906 | 302.04 |

BUSINESS PROPERTY STATEMENT
Tax Year 2009

Shasta County Assessor

Total 9,653

Summary by State Class and Acquisition Year Declaration of Property Owned and Used by Owner

Assessment Date: 01/01/2009

Shasta County Assessor - Redding Mini-Ss (S/L)

Assessed - Inventory

| Assessed - Inventory | State Class | Year | Reported Cost | Current Value | Rendered Value | Assessor's Use |
|----------------------|-------------|------|---------------|---------------|----------------|----------------|
| Supplies(i) | | | 170.96 | 170.96 | 171.00 | |
| | | | 170.96 | 170.96 | 171.00 | |
| | | | 170.96 | 170.96 | 171.00 | |
| Total | | | 170.96 | 170.96 | 171.00 | |

Redding Mini-Ss (S/L)

Property Location: 1175 Dana Drive
Redding, CA 96003

Taxpayer's Address:
Circuit City Stores, Inc.
Attention: Tax Department
P.O. Box 42304
Richmond, VA 23242

Summary by State Class and Acquisition Year Declaration of Property Owned and Used by Owner

Shasta County Assessor - Redding Mini-Ss (S/L)

Assessment Date: 01/01/2009

Assessed - Personal Property

| State Class | Year | Reported Cost | Current Value | Rendered Value | Assessor's Use |
|--|------|-------------------|------------------|------------------|----------------|
| Computers, General Purpose | 2008 | 647.64 | 427.44 | 427.00 | |
| | 2006 | 8,702.56 ✓ | 2,088.62 | 2,089.00 | |
| | 2005 | 13,951.31 ✓ | 2,092.69 | 2,093.00 | |
| | 2004 | 1,215.75 ✓ | 121.58 | 121.00 | |
| | 2003 | 9,018.40 ✓ | 541.10 | 541.00 | |
| | 2001 | 6,661.50 ✓ | 133.23 | 133.00 | |
| | 1996 | 62,810.07 ✓ | 1,256.20 | 1,256.00 | |
| | | 103,007.23 | 6,660.86 | 6,660.00 | |
| Furn & Fix - Office | Year | Reported Cost | Current Value | Rendered Value | Assessor's Use |
| | 1996 | 7,089.00 ✓ | 1,205.13 | 1,205.00 | |
| | | 7,089.00 | 1,205.13 | 1,205.00 | |
| Leasehold Improvements- Fixtures (C2901) | Year | Reported Cost | Current Value | Rendered Value | Assessor's Use |
| | 2006 | 7,266.19 ✓ | 4,795.69 | 4,796.00 | |
| | 2003 | 39,820.19 ✓ | 13,937.07 | 13,938.00 | |
| | 1997 | 7,740.00 ✓ | 232.20 | 232.00 | |
| | 1996 | 151,564.38 ✓ | 4,546.93 | 4,546.00 | |
| | | 206,390.76 | 23,511.89 | 23,512.00 | |
| Machinery & Equipment | Year | Reported Cost | Current Value | Rendered Value | Assessor's Use |
| | 2007 | 642.70 ✓ | 559.15 | 559.00 | |
| | 2006 | 26,526.44 ✓ | 21,221.15 | 21,221.00 | |
| | 2002 | 9,322.87 ✓ | 4,754.66 | 4,755.00 | |
| | 2001 | 409.28 ✓ | 180.08 | 180.00 | |
| | 1998 | 301.00 ✓ | 78.26 | 78.00 | |
| | 1996 | 71,019.18 ✓ | 12,073.26 | 12,074.00 | |
| | | 108,221.47 | 38,866.56 | 38,867.00 | |

Redding Mini-Ss (S/L)

Property Location: 1175 Dana Drive
Redding, CA 96003

Taxpayer's Address:
Circuit City Stores, Inc.
Attention: Tax Department
P.O. Box 42304
Richmond, VA 23242

Summary by State Class and Acquisition Year Declaration of Property Owned and Used by Owner

Shasta County Assessor - Redding Mini-Ss (S/L)

Assessment Date: 01/01/2009

Assessed - Personal Property

| State Class | Year | Reported Cost | Current Value | Rendered Value | Assessor's Use |
|--------------------------------------|------|------------------------------|--------------------------|--------------------------|----------------|
| Office Furniture & Equipment (C1801) | 2008 | 539.89 | 485.90 | 486.00 | |
| | 2007 | 4,377.93 4,455.77 | 3,546.12 | 3,546.00 | |
| | 2006 | 2,686.28 ✓ | 1,907.26 | 1,907.00 | |
| | 2003 | 191,083.96 ✓ | 80,255.25 | 80,258.00 | |
| | 2002 | 2,021.45 ✓ | 667.08 | 668.00 | |
| | 1999 | 409.28 ✓ | 57.30 | 57.00 | |
| | 1996 | 329,628.69 ✓ | 13,185.15 | 13,185.00 | |
| | | <u>530,747.48</u> | <u>100,104.06</u> | <u>100,107.00</u> | |
| Total | | <u><u>955,455.94</u></u> | <u><u>170,348.50</u></u> | <u><u>170,351.00</u></u> | |

Redding Mini-Ss (S/L)

Property Location: 1175 Dana Drive
Redding, CA 96003

Taxpayer's Address:
Circuit City Stores, Inc.
Attention: Tax Department
P.O. Box 42304
Richmond, VA 23242

Summary by State Class and Acquisition Year Declaration of Property Belonging to Others

Assessment Date: 01/01/2009

Assessor's Use

Shasta County Assessor - Redding Mini-Ss (S/L)

Tax Obligation of Owner, not Taxpayer Personal Property

| State Class | Year | Reported Cost | Current Value |
|------------------------------|------|---------------|---------------|
| Computers <=\$25,000 (BA303) | 2005 | 9,651.70 | |
| | | 9,651.70 | |
| | | 9,651.70 | |
| | | 9,651.70 | |

Total

Redding Mini-Ss (S/L)

Property Location: 1175 Dana Drive
Redding, CA 96003

Taxpayer's Address:
Circuit City Stores, Inc.
Attention: Tax Department
P.O. Box 42304
Richmond, VA 23242

Memorandum

To: Tax Assessor

cc: File

From: Scott Ash

Date: February 18th, 2009

Re: Property Tax Returns

On November 10, 2008, Circuit City Stores, Inc. and seventeen of its direct and indirect subsidiaries (the "Debtors") filed for bankruptcy protection under Chapter 11 of the United States Bankruptcy Code in the United States Bankruptcy Court for the Eastern District of Virginia, Richmond Division. The commencement of this proceeding created a wide variety of added filing, reporting, recordkeeping and other administrative responsibilities for the Debtors' corporate staff, which continue to occupy the Debtors' staff as the bankruptcy proceeding continues.

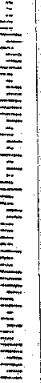
Attached is the Debtors' 2009 Business Personal Property Return for assets located in your jurisdiction. Although the original cost figures in the return(s) are, to the best of the Debtors' knowledge, accurate, the Debtors' personnel together with outside appraisers and consultants are conducting a detailed critical analysis and considering the potential need for additional adjustments. In particular, no additional adjustments for functional, economic, or other forms of external obsolescence, or other adjustments based on indicated value by application of an income or market-sales-derived analysis, were made. The value from the return is merely the value estimate derived by applying standardized schedule adjustments for physical depreciation to the original cost, and input the mathematical result without consideration of the overall market conditions for such assets.

As a result, the rendered value numbers reflect only original cost adjusted for physical depreciation by standardized state schedules, and exceed the Debtors' opinion of the actual value of the assets after inclusion of all appropriate adjustments of a cost-derived valuation formula for applicable forms of depreciation and obsolescence. The basis of this assessment by the Debtors is the ongoing sales activity of similar assets of the Debtors' estates, all of which indicate that the values on the tax rolls are excessive.

Once the appropriate valuation work has been conducted, the Debtors will provide their estimates of value. At this point in time, it is the Debtors' opinion that the figure reflected in the attached return may be excessive. It is NOT the Debtors' opinion of value of the assets in the attached return.

Accordingly, the Debtors reserve any and all of their rights to challenge the values on the returns, and to challenge and/or object to any and all taxes asserted against them in the Bankruptcy Court or otherwise.

Circuit City Store
Tax Department
P.O. Box 4230
Richmond, VA 23242-2304



SHASTA COUNTY ASSESSOR
1450 COURT STREET, SUITE 208-A
REDDING, CA 96001-1667

1614

